## **BUDGET RESOLUTION/Arctic National Wildlife Refuge (ANWR)**

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1996-2002 . . . S. Con. Res. 13. Domenici motion to table the Roth amendment No. 1150.

## **ACTION: MOTION TO TABLE AGREED TO, 56-44**

SYNOPSIS: As reported, S. Con. Res. 13, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from lower debt service payments (an estimated \$170 billion) will be dedicated to a reserve fund, which may be used for tax reductions after enactment of laws to ensure a balanced budget. Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and more than 100 other Federal programs, agencies, and commissions will be eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

The Roth amendment would increase budget and outlay authority under the Natural Resources and Environment function by \$2.3 billion (spending would rise by \$1.4 billion in fiscal year 1998 and by \$900,000 in fiscal year 2001) and would increase the recommended levels of Federal revenues by the same amount. The amendment's statement of purpose provides that the intent of the amendment is to prohibit including revenues in the budget resolution based on oil and gas leasing within the Arctic National Wildlife Refuge. During debate, Senators indicated that they hoped to increase tax collections to pay for the amendment by preventing wealthy citizens from renouncing their citizenship to avoid paying taxes.

The amendment was offered after all debate time had expired. However, some statements on amendments were added to the record or were made before the amendments were offered and before debate time had expired. Also, by unanimous consent, 1 minute of time was allowed on each amendment for explanatory statements before each vote.

## **Those favoring** the motion to table contended:

(See other side)

<b>YEAS</b> (56)				NAYS (44)			NOT VOTING (0)	
Republicans Democrats		Republicans			Republicans Democrats			
(48 or 89%) (8 or 17%)		(6 or 11%)			(0)	(0)		
Abraham Ashcroft Bennett Bond Brown Burns Campbell Coats Cochran Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch Hatfield	Helms Hutchison Inhofe Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Packwood Pressler Santorum Shelby Simpson Smith Specter Stevens Thomas Thompson Thurmond Warner	Akaka Breaux Conrad Ford Heflin Hollings Inouye Johnston	Chafee Cohen Jeffords Kassebaum Roth Snowe	Baucus Biden Bingaman Boxer Bradley Bryan Bumpers Byrd Daschle Dodd Dorgan Exon Feingold Feinstein Glenn Graham Harkin Kennedy Kerrey	Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea	

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The Roth amendment would raise taxes in an effort to block the issuance of leases on 1.5 million acres on Alaska's North Slope for oil and gas production. We oppose increasing the total amount collected in taxes for any purpose, however meritorious. However, we are especially opposed to this particular tax increase, because the purpose is anything but praiseworthy. Our colleagues imagine that they are protecting the destruction of a rare natural area, but the area in question is certainly not rare, and would not be harmed by leasing in any event. The amount of oil that is likely to be found is absolutely enormous, and would greatly increase the economic security and prosperity of our Nation. The rhetoric of our colleagues has been extreme, but it is totally unsupported by the facts. If Senators allow reason to guide them, then they will reject this amendment.

Roth amendment supporters tell us that their intent is to close the expatriate tax loophole to pay for the cost of their amendment. Their amendment, though, simply increases revenue levels. Even if it specifically stated that their intent was to close the loophole, though, it would serve as no more than a suggestion. How taxes would be raised would be decided later in reconciliation. A much more responsible suggestion would have been to reduce other spending authority to pay for their proposal.

Some Senators have argued in favor of the Roth amendment because they agree with the current ban on counting revenues from asset sales in deficit calculations. We disagree, and have always disagreed, with that ban. The Federal Government constantly buys and sells assets. Expenses it incurs in buying assets, and even expenses it incurs when it sells them, are always counted in deficit calculations. Pretending that no revenue is gained from sales is illogical and encourages the Government to hold on to assets that it should not have. Claims that counting asset sales in deficit calculations will result in the sale of the Statute of Liberty and the Grand Canyon are preposterous. Sales will be restricted to those that are in the public interest. If they are not, the public will elect new Members who are more representative of their wishes.

The sales, or actually leases, that our colleagues wish to block with this amendment are in the public interest. None of the acreage in question is now or ever has been designated as wilderness. In 1980, Congress set aside 19 million acres as the Arctic National Wildlife Refuge (ANWR), which is equal to the size of Maine. Of that acreage, 8 million acres were designated as wilderness, and 11 million acres were designated as non-wilderness refuge lands. Within these 11 million acres, Congress set aside 1.5 million acres for study for their potential for oil and gas production.

It seems that some Senators believe that the small area of ANWR which can be opened for oil and gas production comprises most of the remaining wilderness area in the world. Their belief is absolutely wrong. In the first place, as we have already stated, it is not even designated as wilderness. In the second place, Alaska already has 56 million acres that are designated as wilderness. To give our colleagues a proper appreciation of the size of 56 million acres, we note for them that this is an area that is larger than North and South Carolina combined. In case we have not made ourselves clear, the United States does not have any shortage of arctic and subarctic wilderness acreage.

Some Senators have made the rather wild claim that oil drilling in these 1.5 million acres will destroy wildlife populations throughout all 19 million acres of ANWR. We heard the same nonsense when certain Members tried to block the Trans Alaska Pipeline bill in 1973, which was built to transport oil from Prudhoe Bay, Alaska. That pipeline was built, and, instead of harming local wildlife, it helped it. The number of caribou increased by 600 percent, and the populations of musk oxen, waterfowl, polar bears, and other species also increased. No adverse effects have been reported from that pipeline. To be sure, we expect some of the positive effects near the drilling in this area will be reduced, though, because modern drilling technologies have reduced the "footprint" of oil wells. Only 5,000 to 7,000 of the 1.5 million acres will actually be developed in exploration efforts. Animal populations near these few thousand acres will benefit, but life will remain the same for animals in the rest of the refuge.

On the other hand, life will not remain the same for Americans; it will improve. Interior Department studies of the area have concluded that there is a 46-percent chance of discovering commercial quantities of oil, and that there may be as much as 9.2 billion barrels of oil that can be recovered. To give some perspective of how much oil that is, 10 billion barrels have been pumped out of the Prudhoe Bay field, and that field has provided 25 percent of America's oil for the past 20 years. Because of efforts by environmentalists to block domestic oil exploration, the United States now has to import 55 percent of its oil from overseas at a cost of \$70 billion per year, and much of that oil comes from unstable, despotic regimes. Most of our trade deficit comes from oil imports, and the national security danger of relying on foreign oil was amply demonstrated by the Persian Gulf War.

In summary, counting revenue from ANWR leases makes solid budgetary sense. Further, ANWR leases will not prove harmful to the environment, and they may well result in tremendous economic benefits for Americans. We urge our colleagues to be guided by the facts, and to reject the Roth amendment.

## **Those opposing** the motion to table contended:

The budget resolution before us assumes that revenue will be gained from ANWR oil and gas leases. We are strongly opposed to this assumption, because we strongly oppose any oil and gas development in ANWR's 1.5 million acres of pristine wilderness. Though Republicans may claim that their proposal will allow gas exploration in only 8 percent of the acreage, any exploration will be devastating to ANWR's entire fragile ecosystem. In 1987, the Interior Department submitted a report to Congress detailing the long-term changes that might result in the wilderness environment, wildlife habitat, and Native subsistence hunting opportunities if

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oil exploration were allowed. ANWR, we inform our colleagues, is the calving ground for the great Porcupine Caribou herd, is the denning area for the Beaufort Sea polar bear population, and is the nesting habitat for a variety of waterfowl and shorebirds. In total, it is home to 165 animal species.

Under current law, receipts from sales and leases of Federal assets cannot be counted when determining the deficit. The purpose of this law is to prevent the Government from frittering away precious national resources in order to gain one-time reductions in the budget deficit. This resolution will change this asset sale law in order to count revenues from ANWR leases and other sales for deficit reduction. A one-time gain from leasing ANWR of \$1.4 billion will result, but the permanent loss that will be endured by all future generations will be the loss of one of the few unspoiled wilderness areas left on earth.

This policy is very shortsighted. We do not want to ruin this precious natural resource forever for a mere \$1.4 billion gain. Therefore, we have proposed the Roth amendment, which would block oil and gas leases in ANWR, and would make up for the loss in revenue by closing the loophole in the tax code that lets rich Americans escape paying taxes by renouncing their citizenship. No one favors that loophole, so we believe this funding source is supportable. We trust our colleagues agree, and will join us in opposing the motion to table.